

The Tech Trojan Horse

China's Strategic Export of the Surveillance State

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China is exporting its model of digital authoritarianism, creating a network of dependent client states, and threatening the United States' global influence. Chinese digital authoritarianism has two main components: the sale of surveillance-capable technology to developing and authoritarian regimes and the promotion of cyber sovereignty. Together, these developments supply client states with advanced surveillance technology, enabling and strengthening authoritarian regimes. These developments also increase Beijing's coercive leverage over clients who will be dependent on Chinese authoritarian technology and services. China's actions will enable illiberal governance by reshaping the rules and institutions that govern the internet. If the United States does not take steps to counter China's actions, it could face a more hostile global environment populated by authoritarian Chinese clients.

Effects of China Selling Surveillance Capable Technology

The export of surveillance-capable technology will strengthen China's surveillance capabilities and Chinese client states, while making clients more dependent on Beijing. These two effects will increase China's ability to shape public opinion abroad.

- *Strengthening Chinese Surveillance Capability.* China already uses surveillance-capable technology to collect data domestically. Data on citizens' identities, movements, and actions online allows the Chinese Communist Party (CCP) to control its population more efficiently. By exporting the surveillance state, Beijing gains the ability to access data on client states' populations through formal arrangements or using digital backdoors.
- *Strengthening Client States.* China's strategic export of surveillance-capable technology strengthens authoritarian client states. By importing this technology, resource-poor authoritarian states are able to better control their populations at a low financial cost. However, clients' integration of Chinese technology into state infrastructure allows Beijing to collect, formally or illicitly, information from these client states. These states are also more reliant on China for maintenance and upgrades of the technology and associated algorithms.

- *Strengthening Global Social Management.* Beijing's extended intelligence increases the efficiency with which it can identify and respond to international threats. The globalization of China's surveillance state also allows Beijing to shape how other countries view China. With access to client state population data, Beijing can deploy customized propaganda to manipulate public opinion abroad.

Implications for the United States

Exporting digital authoritarianism gives China leverage over its client states, reshapes the internet to Beijing's benefit, and strengthens the spread of authoritarianism globally.

- *China benefits from stronger, but more dependent allies.* Beijing's export of surveillance-capable technology benefits both client states and the Chinese government. Access to real-time client state data combined with client states' increased dependence on Beijing gives the CCP leverage over its clients.
- *Cyber sovereignty gains ground.* By promoting cyber sovereignty, China is actively seeking to influence governing norms around the internet, challenging the United States' influence. Cyber sovereignty-influenced policies also result in a digital environment that harms the interests of U.S. businesses and the U.S. government. Data localization regulations may raise the cost of doing business by requiring companies to build new servers to keep data within the country of origin. Data localization policies will also make it easier for foreign governments to gain access to intellectual property.
- *Further rollback of democracy.* China's export of its surveillance state puts the tools of digital authoritarianism in the hands of client states and incentivizes undecided states to adopt cyber sovereignty. If regional powers take up Chinese-style internet governance, it is likely that other states will follow their lead.

What can the United States do to combat digital authoritarianism?

To counter Chinese digital authoritarianism, the United States should pursue four initiatives.

- *Create a Legal & Ethical Framework.* The United States should establish clear standards on acceptable and unacceptable uses of citizens' data by both governments and corporations. By defining clear standards, the United States can hold itself, U.S. companies, and foreign partners accountable for their use of surveillance capable technology and data.
- *Spur Innovation.* The United States should incentivize the development of low-cost technical alternatives to allow locals to circumvent digital authoritarianism. For example, both Alphabet and SpaceX have created technologies that provide low-cost wireless internet access to remote areas that are not dependent on local hardware. By working with

private partners, the United States can take advantage of options from the private market to address the challenge of Chinese-backed digital authoritarianism. These market-oriented approaches should focus on providing competing and alternative technologies to expand global internet access.

- *Build Cybersecurity Capacity.* The United States should work with governments to build their cybersecurity expertise in order to harden these states against Chinese espionage and inform them of the dangers of providing population data to third parties. State decision-makers then can take these considerations into account when determining whether to import surveillance-capable technology from China.
- *Increase Costs.* The United States should impose costs on states that use surveillance-capable technologies to repress their populations. Specifically, the United States should put pressure on local leaders by highlighting local practices, supporting pro-democracy opposition forces, restricting aid, and targeting local elites with sanctions.

Conclusion

China's promotion of digital authoritarianism threatens the United States' interests on and offline. By selling surveillance-capable technology and championing cyber sovereignty, China gains greater global influence. To counter Beijing's activities, the United States should codify its own standards of acceptable behavior online, leverage its domestic human capital through initiatives that support market innovation in communications technology, build global cybersecurity capacity and awareness, and punish those states that adopt digital authoritarianism.